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## HARMONIZED SYSTEM REVIEW SUB-COMMITTEE

NR0189E1

24<sup>th</sup> Session

O. Fr.

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# POSSIBLE AMENDMENT OF SUBHEADING 8311.90 TO DELETE THE REFERENCE TO PARTS (PROPOSAL BY THE EGYPTIAN ADMINISTRATION)

(Item III.B.6 on Agenda)

#### I. BACKGROUND

1. At a seminar held in Egypt earlier this year, the Egyptian Administration indicated that it was having difficulty in identifying what was meant by parts of the wire, tubes, plates, electrodes and similar products of heading 83.11. It requested the Secretariat to carry out a study to inform Contracting Parties of the scope of subheading 8311.90.

#### II. SECRETARIAT COMMENTS

- 2. The Secretariat has carried out the requested study. From the information gathered from various sources and from the main European manufacturers, it appears to be very difficult to identify these types of products precisely. As to the source of the reference to "parts" in subheading 8311.90, the Secretariat noted that there was no reference to parts in either the legal texts of CCCN heading 83.15 or in the corresponding Explanatory Note. The specific reference to parts was incorporated during the drafting of the HS (see Doc. 27.354, page 12). At that time, the Committee amended the structure of heading 83.11 on the basis of a consensus on the classification of parts in the Nomenclature. This explains the decision to add a residual subheading (8311.90) for the classification of parts.
- The Secretariat began by assuming parts to mean semi-finished products to be sold for further processing. However, it proved impossible to determine the importance of trade in such products and none of the technical documentation consulted alluded to parts of electrodes or soldering rods.

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- 4. Nevertheless, it should be noted that the statistics published by the UNSD for 1996, 1997 and 1998 relating to subheading 8311.90 (which includes parts of wire, rods, tubes, plates and electrodes as well as other products which are classified in heading 83.11 and are not covered by the preceding subheadings) cover trade representing US\$ 128, US\$ 180 and US\$ 174 million, respectively.
- 5. In the light of the foregoing and given the impossibility of determining exactly, as the texts now stand, what these parts are or of identifying the precise volume of trade therein, the Secretariat is doubtful whether the reference to parts should be left in the Nomenclature.
- 6. Subject to the views of administrations and the receipt of additional information from the industry, the Secretariat would tend to favour an amendment to the structure of heading 83.11 with a view to removing the reference to parts from the text of subheading 8311.90.

#### III. CONCLUSION

7. The Sub-Committee is invited to examine this Agenda item in the light of the Secretariat's comments in paragraphs 2 to 6 above.